

SPONSOR'S REBUTTAL TO FISCAL NOTE

Bill Number: SB 366

Date Prepared: 2-5-15

Short Title: Require CHIP coverage of autism spectrum disorder

Sponsor: Senator Mary Caferro

Fiscal Note Version & Date: SB 366 2-23-15

Generally, why do you disagree with the fiscal note?

The fiscal note written by DPHHS articulated a number of items that are inaccurate and impact the cost of SB 366. SB 366 targets a smaller group of children, less services, and less necessary state special revenue than does the Department's fiscal note. Therefore the Department's fiscal note overstates the cost.

1. The federal match, FMAP, in the fiscal calls for 24.49% state match. The actual state match is 1.22% this biennium and 1.44% next biennium.
2. The growth rate projected in the Department's fiscal note is 6% annually. Actually the CHIP roles have decreased by 5,000 children from August 2013 to November 2014 and have continued to decrease approximately 500 per month. The provider rate increase has been budgeted at 2% not 6%.
3. The list of services in the Department's fiscal note is broad and includes services already being provided. SB 366 targets two autism services.

What is your estimate of the fiscal impact:

	FY 2016	FY 2017	F
Cost for ABA per Individual	\$16,640	\$16,973	
Reductions of other therapies	(\$6,240)	(\$6,365)	
Benefit of proper treatment	(\$2,956)	(\$3,015)	
CHIP enrollment at 2% growth	19,211	19,595	
Anticipated kids with ASD on CHIP receiving ABA services	33	111	
Annual Total Anticipated Costs	\$243,751	\$845,328	
State Special Revenue	\$2,974	\$10,313	
Federal Funds	\$240,777	\$835,015	
Total Funds	\$243,751	\$845,328	

Sponsor Signature _____

FISCAL ANALYSIS
SB 366 Require CHIP to cover
autism 3-25-15 Senator Caferro

Assumptions:

1. Health Resources Division

- a) Average cost of applied behavior analysis services per individual is \$16,640 in FY 2016 with a 2% increase per year.
Cost per individual is based on an average of one hour per week of behavior therapy from a board certified behavior analyst, at \$120 per hour and increasing by 2% per year.
Cost per individual is based on an average of five hours per week of autism training at \$40 per hour and increasing by 2% per year.
- b) There will be a reduction of \$6,240 in FY 2016 and increasing by 2% per year due to reduced speech therapy, occupational therapy, and mental health therapy as individuals with autism receive behavior therapy instead.
- c) There will be a reduction of services delivered and costs by 22% per individual per quarter due to the benefits of the medically necessary behavior therapy.
- d) CHIP enrollments have been decreasing for the last several quarters. The last quarter had enrollments of 19,211. These projections assume enrollment of 19,211 in FY 2016 and increases by 2% per year.
- e) These projections assume that one in every 88 children are diagnosed with autism spectrum disorder.
- f) Due to the timeframe to establish the program and to identify, recruit, and make available behavior therapy, 15% of total annual amount will be a cost in FY2016, 50% in FY 2017, 70% in FY 2018, and 90% in FY 2019.
- g) The Enhanced Federal Medicaid Assistance Percentage (FMAP) is estimated at 98.78% in FY 2016 and FY 2017, and 98.51% in FY 2018 and FY 2019.

Cost for ABA per Individual
 Reductions of other therapies
 Benefit of proper treatment
 CHIP enrollment at 2% growth
 Anticipated kids with ASD on CHIP
 receiving ABA services
 Annual Total Anticipated Costs

	FY 2016	FY 2017	FY 2018	FY 2019
	\$16,640	\$16,973	\$17,312	\$17,659
	(\$6,240)	(\$6,365)	(\$6,492)	(\$6,622)
	(\$2,956)	(\$3,015)	(\$3,076)	(\$3,137)
	19,211	19,595	19,987	20,387
	33	111	159	209
	\$243,751	\$845,328	\$1,231,270	\$1,647,018

State Special
 Revenue
 Federal Funds
 Total Funds

	\$2,974	\$10,313	\$18,346	\$24,541
	\$240,777	\$835,015	\$1,212,924	\$1,622,477
	\$243,751	\$845,328	\$1,231,270	\$1,647,018